

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Margin Money assistance under National Co-operative Development Corporation Scheme - Sanction and Release of an amount of Rs.150.00 lakhs as subsidy towards Margin Money Assistance to the Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa District - Orders - Issued.

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No.563

Dated 24 -7 - 2008
Read the following:-

1. From the President, the Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa District loan application dt.28-6-2007.
2. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad, letter Rc.No.9596/2007- K2, dt: 12-9-2007.
3. Government Lr.No.10801/Tex.2/2007-5, dated 18-2-2008.
4. From the Managing Director, NCDC (Handloom Division), New Delhi, Ir.No. NCDC 4-4/2008-TEX (HLM)/302, dt. 26-3-2008.
5. G.O.Rt.No.343, Ind.&Com(Tex)Department, dt:05-5-2008.
6. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, A.P., Hyderabad, letter Rc.No.9596/2007- K2, dt: 9-5-2008
7. From the President, the Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa District application dt.19-5-2008.
8. Government Lr.No.10801/Tex.2/2007-8, dated 24-5-2008.
9. From the A.D. (Loan), NCDC Lr.No. NCDC: A & C / 1 (Rel)/A.P / 2008-09 , 23-5-2008.
10. From the Managing Director, NCDC (Handloom Division), New Delhi, Ir.No. NCDC 4-4/2008-TEX (HLM)/3 8, dt.17-6-2008.
11. From the Assistant Director, (Loan) NCDC (Finance Division), New Delhi, Ir.No. NCDC A&C/1(Rel)/AP/2006-07 dt: 19-6-2008
12. G.O.Rt.No.3104, Finance (Exp. I&C) Department, dt.19-7-2008.

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ORDER

In the reference 3rd read above, Government have forwarded the loan application of President, the Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa District to the National Co-operative Development Corporation (NCDC), New Delhi for consideration to sanction of Margin Money loan of Rs.8.07 crores towards additional working capital and subsidy.

2. In the reference 4th read above, the Managing Director, National Co-operative Development Corporation Ltd., has conveyed the sanction of Rs.7.50 crores (Rupees seven crores and fifty lakhs only) comprising Rs. 6.00 crores as loan and Rs.1.50 crores as subsidy (subject to availability of subsidy from Government of India) to the Government of Andhra Pradesh towards margin money assistance to, the Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa District.

3. The Managing Director, National Co-operative Development Corporation Ltd., has informed that the State Government shall provide loan component of margin money assistance received from NCDC as loan / share capital and subsidy received from National Co-operative Development Corporation as subsidy to the societies. The terms of the assistance provided by the State Government to the society, should not be in any way less favorable to that provided by NCDC and

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that the assistance will be released by NCDC to State Government on reimbursement basis i.e, the State Government will first release the amount sanctioned to the societies mentioned and thereafter claim reimbursement from the NCDC. The assistance of Rs.7.50 crores sanctioned is subject to the following conditions:-

- (i) The society shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- ii) shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical/senior personnel for the business of the society.

4. The period of loan will be for 5 years. There shall be no moratorium on repayment of loan and interest. The repayment of loan instalment along with interest will commence from the 1st anniversary of the deemed drawal of loan.

5. The Managing Director, National Co-operative Development Corporation has further reported that the loan shall carry the rate of interest prevailing at the time of actual release of funds which will be a floating rate linked with State Bank Advance Rate. Existing effective rate of interest is 9.75% p.a (linked with present State Bank Advance Rate of 12.25%) Effective rate of interest shall be applicable in case payment of instalment is made on or before due date. In case of payment of instalment is not made on or before due date, normal rate of interest, which is 1% higher than effective rate shall be applicable. Further, in case of default in payment of instalment, panel interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to NCDC letter No. NCDC : 1-1/84-Budt, dated 15.10.1984 and No. NCDC : 1-1/1990 -Budt, dated 27-2-2008 and as amended from time to time.

6. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if :-

- (i) it is not utilised for the purpose for which it has been sanctioned;
- (ii) the society fails to furnish the returns, statements of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

7. The sanction is valid upto 31.3.2009 by which date the State Government shall provide full assistance to the Society and claim reimbursement from the National Co-operative Development Corporation.

8. In the G.O. 5th read above, Government have issued orders sanctioning an amount of Rs.600.00 lakhs as loan towards Margin Money assistance to the Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa District in relaxation of treasury control orders and quarterly regulation orders pending provision of funds in the supplementary estimates, 2008-09 at appropriate time during the current financial year 2008-09. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad has released the said amount to the society vide D.D.bearing No.030918, dt. 9-5-2008.

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9. In the reference 8th read above, the National Co-operative Development Corporation has been requested to reimburse an amount of Rs.600.00 lakhs to Government of Andhra Pradesh which was released to Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa District. Further, the NCDC has been requested to release subsidy portion of Rs.1.50 crores in advance to the said society to meet the expenditure towards purchase of yarn and payment of wages etc., as requested by the President of the said society.

10. In the reference 9th read above, the National Co-operative Development Corporation, New Delhi has furnished the Account payee cheque bearing No.089909, dt. 23.5.2008 for Rs.6.00 crores as loan and drawn in Punjab National Bank, Dohly Chambers, Nehru Palace, New Delhi in favour of Secretary, Industries and Commerce Department, Government of Andhra Pradesh, Hyderabad towards reimbursement of loan amount to the Government of Andhra Pradesh in connection with Margin Money assistance released to the society. The same has been credited to the Government Account at State Bank of Hyderabad, Gunfoundry Branch.

11. In the reference 10th read above, the Director, National Co-operative Development Corporation, New Delhi has conveyed the approval of the NCDC for payment of Rs. 1.50 crores as subsidy to Government of Andhra Pradesh as advance release in favour of Dayankhanpalli Handloom Weavers Co-operative Production & Sales Society Ltd., Khazipet, Kadapa District towards Margin Money Assistance. He has stated that the State Government shall pass on above the assistance to the society within one month from the date of release of assistance from the Corporation as per pattern indicated in the sanction letter. The release of Financial Assistance sanctioned above shall be governed by the terms and conditions as contained in the sanction letter and annexure to this letter. The other terms and conditions shall, however, remain the same as communicated vide NCDC Lr. NCDC 1-1/84-Budt, dt. 15.10.'84 and No. NCDC : 1-1/90-Budt, dt. 27.2.2008 and as amended from time to time.

12. In the reference 11th read above, the Assistant Director, NCDC has furnished the Account payee cheque bearing No. 089995, dt.19-6-2008 for Rs.1.50 crores drawn on Punjab National Bank, Nehru Palace, New Delhi payable at Hyderabad in favour of Secretary, Industries and Commerce Department, Government of Andhra Pradesh, Hyderabad towards subsidy as advance release in favour of the society. The cheque has been credited to Government Account at State Bank of Hyderabad, Gunfoundry branch, Hyderabad.

13. In the circumstances stated above the Government after careful examination of the matter, hereby accord sanction and release an amount of Rs.150.00 lakhs (Rupees one crore and fifty lakhs only) as subsidy towards Margin Money Assistance to the Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa District, in relaxation of Treasury Control and Quarterly Regulation Orders pending provision of funds in the supplementary estimates 2008-09 at appropriate time during current financial year 2008-09.

14. The expenditure sanctioned at para (13) above, shall be subject to the conditions stipulated by National Co-operative Development Corporation Ltd., at paras 3 to 6 and 11 above.

15. The expenditure of subsidy amount i.e. Rs. 150.00 lakhs sanctioned at para (13) above shall be debited to the following Head of Account:-

2851- Village and small Industries
MH(103)-Handloom Industries
GH(10)-Centrally Sponsored Schemes
SH-56- Margin Money assistance to
Cooperative Spinning Mills
310- Grants-in-aid
312- Other Grants-in-aid.

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16. The Deputy Secretary to Government, Finance (DMC) Department, Andhra Pradesh Secretariat, Hyderabad is authorized to draw and sanction the subsidy amount of Rs.150.00 lakhs by way of cheque and send the same to the Office of the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad for disbursing the same directly by way of

cheque to the President, Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society, Khazipet, Kadapa.

17. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish utilization certificate within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation, New Delhi.

18. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad and Vice-Chairman and Managing Director, APCO, Hyderabad are requested to deduct the loan instalment from the concerned society as per the conditions stipulated by the National Co-operative Development Corporation, and remit to the State Government on the due dates under intimation to the National Co-operative Development Corporation .

19. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad is requested to send necessary proposals at appropriate time for obtaining supplementary estimates in the current financial year 2008-09.

20. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.20771/378 /Exp.I&C/2008, dated 19-7-2008 and Budget Release Order vide G.O.Rt No. 3104, Finance (Exp. I&C) Department, dt: 19-7-2008.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Y.SRILAKSHMI,
SECRETARY TO GOVERNMENT.

To
The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad
The Deputy Secretary to Government, Finance (DMC) Department,
Andhra Pradesh Secretariat, Hyderabad
The Vice-Chairman and Managing Director,
APCO, Hyderabad.
The Accountant General, Andhra Pradesh, Hyderabad.
The Pay and Accounts Officer, Andhra Pradesh, Hyderabad.
The Deputy Pay and Accounts Officer, Hyderabad..
Andhra Pradesh Secretariat, Hyderabad.
The Director of Treasuries and Accounts, Andhra Pradesh, Hyderabad.
The Managing Director,
National Co-operative Development Corporation Ltd.,
4, Siri Institutional Area, Hauz Khas, New Delhi.

Copy to:

The Chief Director,
National Co-operative Development Corporation, 2nd Floor, HACA Bhavan,
Opp. Public Gardens, Hyderabad.
The Finance (Exp.I&C)/ (BG) Department
The Additional Secretary to Chief Minister.
The P.S. to Minister for Handlooms and Textiles.
The P.S to Minister for Finance.
The P.S. to Secretary to Government,
Industries and Commerce Department.
Industries and Commerce (L&B) Department.
Stock File/Spare Copies.

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SECTION OFFICER.